

Subpart 101-46.2—Authorization

§ 101-46.201 General authorization.

Subject to the provisions of this Part 101-46, in acquiring replacement personal property within the United States or elsewhere, similar items may be exchanged or sold and executive agencies are authorized to apply the exchange allowance or the proceeds from sale in such cases in whole or in part payment for the replacement property acquired.

§ 101-46.202 Restrictions and limitations.

(a) The application of exchange allowances or proceeds of sale in whole or part payment for personal property acquired is authorized only when all the following conditions apply:

(1) The items sold or exchanged are similar to the items acquired (see § 101-46.202(b) for explanation of the word "similar");

(2) The items sold or exchanged (with the exception of automatic data processing equipment to be exchanged by GSA) are not excess and the items acquired are needed in the conduct of approved programs;

(3) One item is to be acquired to replace one similar item.

(i) The only exceptions to the one-for-one rule shall be:

(a) In the event that a lesser or greater number of items must be acquired to perform all or substantially all of the tasks in which the old items would otherwise be used; and

(b) In the case of parts or containers.

(ii) Detailed cross reference between old and new items shall not be required. In the absence of such cross reference, however, sufficient data shall be made a matter of record to establish that the items acquired were similar to the items exchanged or sold, that any exchange allowances or proceeds of sale applied in whole or part payment for property acquired were in fact available for such application, and that the transaction was otherwise in accordance with the provisions of this § 101-46.202. The internal audit group of each Federal agency having exchange/sale transactions is responsible for ensuring that the foregoing provisions are observed. In addition, the data of record shall be made available upon request to the General Accounting Office.

(4) There has been at the time of exchange or sale (or at time of acquisition if it precedes the sale) a written administrative determination to apply the exchange allowance or proceeds of sale in acquiring property in accordance with this Subpart 101-46.2; and

(5) The transaction will foster the economical and efficient accomplishment of an approved program.

(b) The item of personal property to be exchanged or sold and the item to be acquired shall be deemed similar when:

(1) Both fall within any one of the categories listed in § 101-46.4902; or

(2) In the case of personal property not falling within the categories of § 101-46.4902, the item to be acquired is designed and constructed for the same specific purpose as the item to be replaced; or

(3) Both constitute containers for items which are similar within the meaning of § 101-46.202(b) (2); or

(4) Both constitute parts for items which are similar within the meaning of § 101-46.202(b) (1) or § 101-46.202(b) (2).

(c) Items falling within any of the Federal Supply Classification Groups enumerated in § 101-46.4901 shall not be eligible for handling under the provisions of this Part 101-46.

(d) This Part 101-46 shall not be construed to authorize:

(1) The acquisition of personal property by an executive agency when such acquisition is not otherwise authorized by law.

(2) The acquisition of personal property by an executive agency in contravention of:

(i) Any restriction upon the procurement of a commodity or commodities, or

(ii) Any replacement policy or standard, prescribed by the President, the Congress, or by the Administrator of General Services.

(3) The acquisition of personal property otherwise than under a consolidated purchasing or stores program or Federal Supply schedule contract where procurement under such program or contract is required by regulations or other directives prescribed by the Administrator of General Services. However, an executive agency acquiring an item or items under and in accordance with such program or contract may apply

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the exchange allowance for or proceeds from the sale of similar items in whole or part payment for the items being acquired.

(4) Even though otherwise eligible, the sale, transfer, or exchange of excess property (other than automatic data processing equipment to be exchanged by GSA) or surplus property in connection with the acquisition of personal property.

(5) The sale, transfer, or exchange of strategic and critical materials, unless such materials at any one location are in lots of less than the minimum quantities specified in Part 101-14, and the owning agency determines that there is no reasonable prospect of accumulating quantities specified in said part within the time specified therein.

(6) The sale, transfer, or exchange of Atomic Energy Commission-controlled materials as defined in § 101-43.104 except in accordance with applicable regulations of the Atomic Energy Commission (see 10 CFR Parts, 30, 40, and 70).

(7) The sale or exchange of controlled substances, except in accordance with Part 101-45.

(8) The sale of personal property in new or unused condition in connection with the acquisition of personal property.

(9) The sale, transfer, or exchange of scrap materials in connection with the acquisition of personal property except in the case of scrap gold for fine gold.

(10) Even though otherwise eligible, the sale or exchange of property which was originally acquired from another agency as excess or surplus, unless such property has been placed in use by the acquiring agency for at least one year.

(e) This Part 101-46 does not apply to materials in the national stockpile (50 U.S.C. 98-98h), the supplemental stockpile (7 U.S.C. 1704(b)), or the Defense Production Act inventory (50 U.S.C. App. 2093).

**SUBPART 101-46.3 TRANSFER AND EXCHANGE
BETWEEN FEDERAL AGENCIES**

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**Subpart 101-46.3—Transfer and
Exchange Between Federal Agencies**

§ 101-46.301 Agency responsibility.

Executive agencies having property other than automatic data processing equipment (ADPE) which is determined to be available for exchange or sale pursuant to this Part 101-46 shall, to the fullest extent practicable or economical and prior to any disposal action, solicit Federal agencies known to use or distribute such property and arrange for transfers thereto, except that no attempt need be made to obtain further utilization of property which is eligible for replacement in accordance with replacement standards prescribed in Subpart 101-25.4. GSA will solicit other agency requirements for ADPE determined to be available for exchange or sale subsequent to reporting in accordance with § 101-32.4702. Executive agencies may also exchange similar property with other Federal agencies (including the Senate, the House of Representatives, the Architect of the Capitol and any activities under his direction, the District of Columbia, and mixed-ownership Government corporations).

§ 101-46.302 Reimbursement.

Transfers of personal property under this Subpart 101-46.3 shall be made upon such terms as shall be agreed to by the Federal agencies concerned (including the organizations specified in § 101-46.301). However, agencies offering property for transfer for further utilization within the Government shall not in any case require reimbursement of an amount greater than the best estimate of the gross proceeds if the property were to be sold on a competitive bid basis, or the dollar value offered on a trade-in basis. Funds shall be transferred in accordance with such terms, and the exchange allowance or other proceeds of transfer shall be applied in whole or part payment for personal property acquired. Funds transferred as representing the difference in value between items which are exchanged shall be deposited to miscellaneous receipts by the transferee agency unless (a) other disposition is authorized by law or (b) acquisition of items in addition to the items received in exchange is required for the performance of the tasks or operations in which similar items exchanged would otherwise have been used.

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Subpart 101-46.49—Illustrations

§ 101-46.4901 Property ineligible for exchange/sale.

Items which are found in any of the Federal Supply Classification Groups listed below are not eligible for handling under the provisions of Part 101-46.

FEDERAL SUPPLY CLASSIFICATION

Group No. and Group Identification

- 10 Weapons.
- 11 Nuclear ordnance.
- 12 Fire control equipment.
- 14 Guided missiles.
- 15 Aircraft; and airframe structural components.
- 16 Aircraft components and accessories.
- 17 Aircraft launching, landing, and ground handling equipment.
- 20 Ship and marine equipment.
- 22 Railway equipment.
- 31 Bearings.
- 33 Woodworking machinery and equipment, except lathes, milling machines, and saws, circular or band.
- 34 Metalworking machinery, except drill presses, lathes, milling machines, and saws, circular or band.
- 40 Rope, cable, chain, and fittings.
- 41 Refrigeration and air-conditioning equipment.
- 42 Fire fighting, rescue, and safety equipment.
- 44 Furnace, steam plant, and drying equipment; and nuclear reactors.
- 45 Plumbing, heating, and sanitation equipment.
- 46 Water purification and sewage treatment equipment.
- 47 Pipe, tubing, hose, and fittings.
- 48 Valves.
- 51 Hand tools.
- 53 Hardware and abrasives.
- 54 Prefabricated structures and scaffolding.
- 55 Lumber, millwork, plywood, and veneer.
- 56 Construction and building materials.
- 68 Chemicals and chemical products, except medicinal chemicals.
- 71 Furniture.
- 75 Office supplies and devices, except cards, tabulating.
- 83 Textiles, leather, and furs.
- 84 Clothing and individual equipment.

§ 101-46.4902 Exchange/sale category list.

In the acquisition, exchange, or sale of property in the categories below, both the item to be acquired and the item to be

replaced must fall within a single number category.

1. Agriculture products, processed foods and forage.
2. Ammunition and ammunition components.
3. Animals and animal products.
4. Batteries, storage.
5. Cards, tabulating.
6. Ditching machines.
7. Dozer blades.
8. Drill presses.
9. Drugs, Biologicals, and Official Reagents.
10. Earth augers.
11. Graders, self-powered and towed.
12. Lathes.
13. Machines, adding and calculating.
14. Machines, addressing and mailing.
15. Machines, dictating and transcribing.
16. Machines, duplicating.
17. Machines, punched card, bookkeeping, tabulating and accounting.
18. Milling machines.
19. Mixers, concrete, portable or truck mounted.
20. Pile drivers.
21. Plows, snow, motorized.
22. Road rollers, wheeled and sheepsfoot.
23. Saws, circular or band.
24. Scrapers, earth moving, self-powered.
25. Scrapers, earth moving, towed.
26. Sedans, station wagons, coupes, limousines.
27. Shovels, power.
28. Spreaders, aggregate and lime.
29. Tractors, warehouse.
30. Tractors, wheeled or crawler, with or without special attachments, up to 65 h.p.
31. Tractors, wheeled or crawler, with or without special attachments, 65 h.p. and up.
32. Trailers, general purpose, multiple axle.
33. Trailers, general purpose, single axle.
34. Trailers, tank mounted.
35. Trucks, forklift.
36. Trucks, general purpose, cargo and construction, 12,500 GVW through 28,000 GVW (including truck tractors, dump, multiple drive, etc.).
37. Trucks, general purpose and utility, up to 12,500 GVW (including suburbans, carryalls, and sedan deliveries).
38. Trucks, straddle.
39. Trucks, tank (special purpose trailer of which the tank is an integral part of the construction).
40. Trucks, warehouse, platform, electric and gasoline powered.
41. Typewriters, manual and electric.

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